



September 16, 2013

Mrs. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington DC 20054

RE: Notice of Proposed Rulemaking - Modernization the E-Rate Program for  
Schools and Libraries, WC Docket No. 13-184

Dear Mrs. Dortch:

In response to the Notice of Proposed Rulemaking (NPRM) released on July 23, 2013 regarding E-Rate modernization, the Puerto Rico Broadband Task Force is submitting its comments for your consideration.

The Puerto Rico Broadband Task Force (PRBT) is entity which was created in 2011 by the Office of the CIO of the Governor of Puerto Rico for the purpose of increasing broadband adoption by residents of Puerto Rico. The PRBT is composed of 12 members representing various sectors of the broadband ecosystem in Puerto Rico including the CIO of the Governor of Puerto Rico, the Puerto Rico Telecommunication Regulatory Board, the Internet Society, broadband providers, information and communication technology providers, K-12 and Higher education, healthcare, local government, grassroots community groups and private sector groups.

In May 2012, the PRBT released the Puerto Rico Broadband Strategic Plan, which provides a thorough analysis of Puerto Rico's digital divide and offers pragmatic, actionable strategies to effectively minimize the divide and promote broadband technology adoption. The plan addresses issues including digital literacy training, affordability and barriers to broadband build out.

In the review of the NPRM, we urge the Commission to consider the findings of the Puerto Rico Broadband Strategic Plan<sup>1</sup>, many of which directly address the concerns of the Commission in its modernization efforts. In particular, we submit the following specific comments:

**Consortium Purchasing & Promoting Competition**

The Broadband Providers Committee of the PRBT is composed of over 30 entities which offer broadband services in the island, including wireline, cable, fixed wireless, and mobile carriers.

The FCC is encouraging a move toward consortium purchasing, as the FCC found that purchasing "in bulk by consortia helped to drive down service rates, increase bandwidth,

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<sup>1</sup> The Puerto Rico Strategic Broadband Plan can be found at [www.prbroadband.org](http://www.prbroadband.org)

improve service quality and reduce administrative overhead”<sup>2</sup>. While we agree with this fundamental idea, in practice this is contingent on a robust competitive environment coupled with a procurement system which is structured to leverage this competitive environment.

Such strategy could backfire, however, by hampering the competitive process. When procurement processes are designed with the primary goal of reducing administrative burdens through single-vendor scenarios, they greatly reduce the number of entities capable of providing the services to the point where there is no competition and thus no market forces driving down prices or improving service offerings. To strike an appropriate balance, we recommend that:

- In addition to “consortium purchasing”, the Commission allow for “consortium bidding” whereby a group of broadband providers are permitted to bid as a unit;
- Procurement processes are technology-neutral;
- Procurement processes are structured to encourage regional competition;
- Establish limits on the number of schools/broadband connections per procurement process. For example, no more than 250 schools per procurement.

### **Funding of Construction Costs.**

E-Rate funding can spur private-sector investment into broadband infrastructure in unserved regions when construction costs necessary to serve schools in the region are included in the funding. While E-Rate currently permits the reimbursement for construction costs now, it requires that the construction costs be deferred over three years, which essentially lays a barrier for deployment. We recommend that E-Rate revise this policy to allow for reimbursement of all construction costs within the same funding year.

The PRBT also believes that a temporary increase in the E-Rate cap is necessary in order to achieve the goals and ensure high-capacity broadband connection to and within schools across the nation.

### **Leveraging E-Rate funding for Construction for Regional Broadband Investment.**

The Puerto Rico Broadband Strategic Plan recognized that the demand for broadband by schools can play an important factor in promoting investment in broadband infrastructure in unserved and underserved regions<sup>3</sup>. Further, Plan also recommends the development of a public-private partnership (PPP) for the creation of an Open Access Network of dark, fully-passive fiber optic infrastructure for use by telecommunications and broadband providers in regions of Puerto Rico where it is not economically viable for the private sector to invest<sup>4</sup> and where no unsubsidized

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<sup>2</sup> See FCC Notice of Proposed Rulemaking: *Modernizing the E-rate Program for Schools and Libraries*, WC Docket 13-184, paragraph 180, footnote 247.

<sup>3</sup> Puerto Rico Broadband Strategic Plan, May 2012, Chapter VI: Education, page 174.

[http://www.connectpr.org/sites/default/files/connected-nation/Puerto%20Rico/files/chapter\\_6.pdf](http://www.connectpr.org/sites/default/files/connected-nation/Puerto%20Rico/files/chapter_6.pdf)

<sup>4</sup> Puerto Rico Broadband Strategic Plan, May 2012, Chapter IV: A 21<sup>st</sup> Century Broadband Infrastructure for Puerto Rico, page 110. [http://www.connectpr.org/sites/default/files/connected-nation/Puerto%20Rico/files/chapter\\_4.pdf](http://www.connectpr.org/sites/default/files/connected-nation/Puerto%20Rico/files/chapter_4.pdf)

broadband services exist. Such a network would spur competition - allowing multiple carriers to “share” the use of the infrastructure, while laying the groundwork for WANs for education, as well as healthcare, public safety and government.

E-Rate funds could complement such efforts, and maximize the benefit of the federal funds beyond schools and libraries, impacting public safety, healthcare, citizen participation, and facilitating increases in broadband adoption.

**Sincerely,**

**Puerto Rico Broadband Taskforce**